

1056

BOOK 628 PAGE 787

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 04-0217-1257

ELECTIONS: UNIT BA-108
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on April 4, 2005 which was recorded at Deed Book 628, Page 787 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on April 5, 2005, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit BA-108;

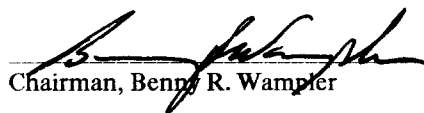
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8th day of August, 2006, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler


STATE OF VIRGINIA
COUNTY OF ~~WISE~~ Washington

Acknowledged on this 8th day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


~~Susan G. Garrett~~
Notary


My commission expires: 9/30/09.

DONE AND PERFORMED THIS 8th day of August, 2006, by Order of the Board.


B. R. Wilson,
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 8th day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires: 9/30/09.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit BA-108
VGOB 04-0217-1257 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,
ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on April 4, 2005, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on April 5, 2005;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of April 4, 2005;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

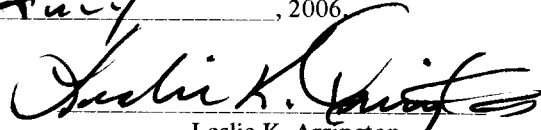
None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 6th day of July, 2006.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 6th day of July, 2006.


Notary

My commission expires: 11-30-09.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED
BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

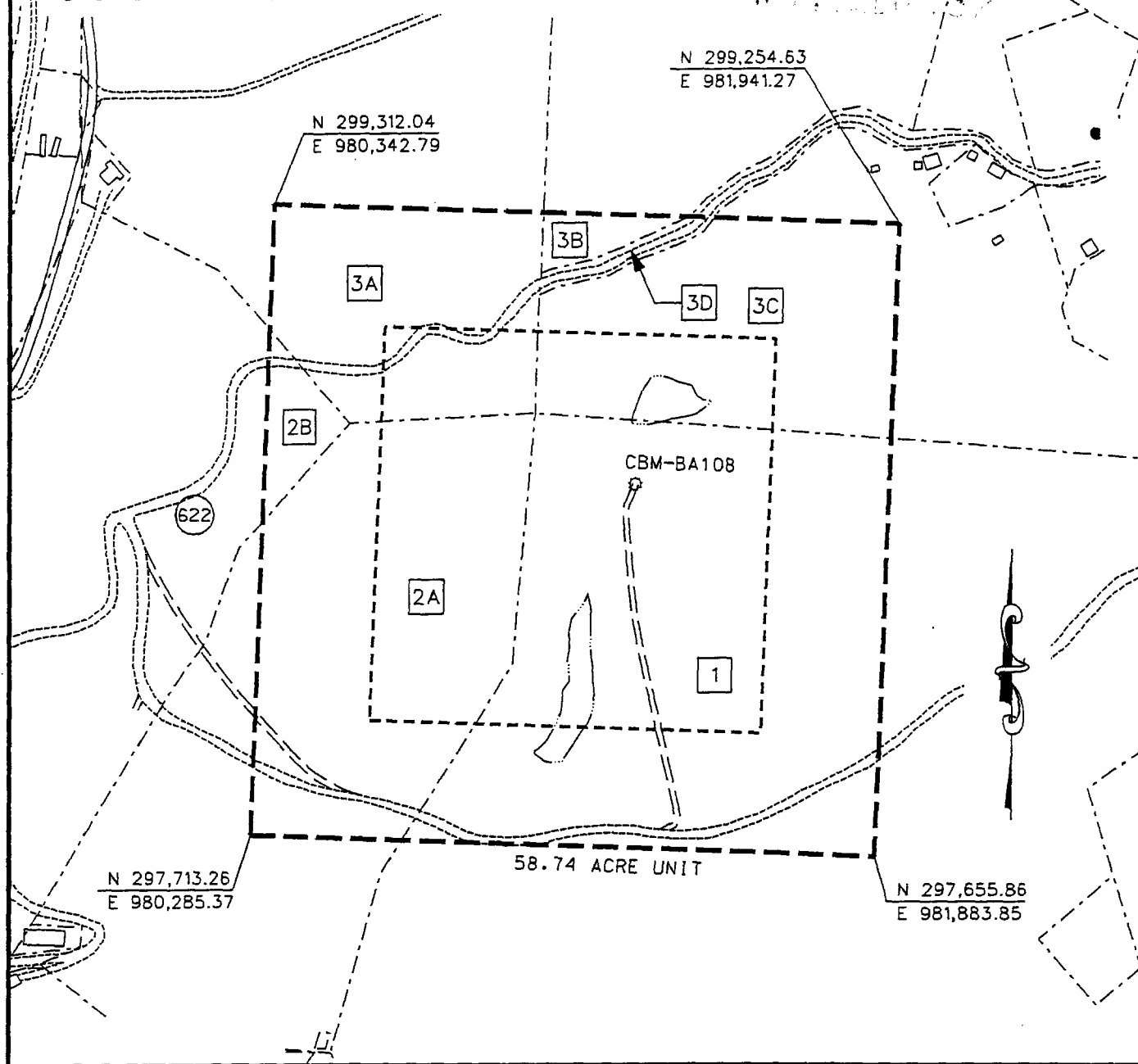


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BA-108
FORCE POOLING
VGOB-04-0217-1257

Company CNX Gas Company LLC Well Name and Number UNIT BA108
Tract No. _____ Elevation _____ Quadrangle SHORE D. MORGAN
County Russell District New Garden Scale: 1" = 100' Date 7/16/09
This plat is a new plat X ; an updated plat _____ ; or a final plat No. _____

Form DGO-GO-7
Rev. 9/91

Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor

10958

(Affix Seal)

CNX GAS COMPANY LLC

Unit BA-108

Tract Identifications

(58.74 Acre Unit)

BOOK

001-110882

1. Buckhorn Coal Company (Joseph & Lewis Cox 143.84 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Fred B. Gent, et al – Surface
24.40 acres 41.5390%
2. Heirs of Fred A. Perley and Allen P. Perley, Jr. – All Minerals
CNX Gas Company LLC – Oil, Gas and CBM Leased (98.48%)
15.54 acres 26.4556%
- 2A. Fred B. Gent, et al - Surface
- 2B. Buckhorn Coal Company - Surface
- 3A. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) - Fee
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
7.85 acres 13.3640%
- 3B. Buckhorn Coal Company (Jacob Fuller 439.05 Acre Tract) – Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Romia Blankenship, et al – Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.72 acres 1.2257%
- 3C. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Otis J. Fields, et ux – Surface and All Minerals except Coal
CNX Gas Company LLC -
9.72 acres 16.5475%
- 3D. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Commonwealth of Virginia – Surface and All Minerals except Coal
0.51 acres 0.8682%

Exhibit B-3
Unit BA-108
Docket #VGOB 04-0217-1257
List of Unleased Owners/Claimants
(58.74 Acre Unit)

BOOK 107 PAGE 0994

	Acres in Unit	Interest in Unit
I. COAL FEE OWNERSHIP		
<u>Tract #2, 15.54 acres</u>		
Fred A. Perley Heirs, Devisees, Successors or Assigns, et al.	15.54 acres	26.4556%
(2) Fred A. Perley Heirs, Devisees, Successors or Assigns		
(c) Marion P. Casstevens Heirs, Devisees, Successors or Assigns		
(c.6) Scott MacMillian 2400 NW 40th Circle Boca Ratton, FL 33431	0.24 acres 1/66 of 15.54 acres	0.4008%
II. OIL & GAS FEE OWNERSHIP		
<u>Tract #2, 15.54 acres</u>		
Fred A. Perley Heirs, Devisees, Successors or Assigns, et al.	15.54 acres	26.4556%
(2) Fred A. Perley Heirs, Devisees, Successors or Assigns		
(c) Marion P. Casstevens Heirs, Devisees, Successors or Assigns		
(c.6) Scott MacMillian 2400 NW 40th Circle Boca Ratton, FL 33431	0.24 acres 1/66 of 15.54 acres	0.4008%
<u>Tract #3B, 0.72 acres</u>		
(1) Romia Mae Blankenship, et al.	0.72 acres	1.2257%
(b) James Peck P.O. Box 116 Londell, MO 63060	0.01 acres 1/48 of 0.72 acres	0.0255%
(c) Myrtle Peck Mullins P.O. Box 707 Appalachia, VA 24216	0.01 acres 1/48 of 0.72 acres	0.0255%
(g) Lucas Blankenship HC65 Box 104 Rowe, VA 24646	0.01 acres 1/48 of 0.72 acres	0.0255%
<u>Tract #3D, 0.51 acres</u>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.51 acres	0.8682%

Exhibit E
Unit BA-108
Docket #VGOB 04-0217-1257
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 60, PAGE 1985

	Acres in Unit	Interest in Unit
<u>Tract #3B, 0.72 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	0.72 acres	1.2257%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Romia Mae Blankenship, et al.	0.72 acres	1.2257%
(a) Romia Blankenship HC65 Box 103 Rowe, VA 24646	0.09 acres 1/8 of 0.72 acres	0.1532%
(b) James Peck P.O. Box 116 Londell, MO 63060	0.01 acres 1/48 of 0.72 acres	0.0255%
(c) Myrtle Peck Mullins P.O. Box 707 Appalachia, VA 24216	0.01 acres 1/48 of 0.72 acres	0.0255%
(d) Peggy Martin Rt.1 Box 14 Swords Creek, VA 24649	0.01 acres 1/48 of 0.72 acres	0.0255%
(e) Betty Sue Hess HC65 Box 100 Rowe, VA 24646	0.01 acres 1/48 of 0.72 acres	0.0255%
(f) Lucille Blankenship Rt.2 Box 225 Honaker, VA 24620	0.01 acres 1/48 of 0.72 acres	0.0255%
(g) Lucas Blankenship HC65 Box 104 Rowe, VA 24646	0.01 acres 1/48 of 0.72 acres	0.0255%
(h) Dorothy Dotson P.O. Box 899 Honaker, VA 24620	0.01 acres 1/48 of 0.72 acres	0.0255%
(i) Dolly Peck P.O. Box 262 Centersburg, OH 43011	0.10 acres 7/48 of 0.72 acres	0.1787%
(j) Charlotte Peck P.O. Box 262 Centersburg, OH 43011	0.10 acres 7/48 of 0.72 acres	0.1787%
(k) Shelia Hale HC65 Box 15 Rowe, VA 24646	0.10 acres 7/48 of 0.72 acres	0.1787%

Exhibit E
Unit BA-108
Docket #VGOB 04-0217-1257
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 1057 PAGE 0989

	Acres in Unit	Interest in Unit
(l) Sandy Blankenship Rt.2 Box 9800 Cedar Bluff, VA 24609	0.10 acres 7/48 of 0.72 acres	0.1787%
(m) Elmer Lee Blankenship 10070 Butcher Road Mt. Vernon, OH 43050	0.10 acres 7/48 of 0.72 acres	0.1787%

Tract #3D, 0.51 acres

COAL FEE OWNERSHIP

(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	0.51 acres	0.8682%
--	------------	---------

OIL & GAS FEE OWNERSHIP

(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.51 acres	0.8682%
---	------------	---------

Exhibit EE
Unit BA-108
Docket #VGOB 04-0217-1257
List of Conflicting Owners/Claimants with Royalty Split Agreements
(58.74 Acre Unit)

BOOK 600 200897

	Acres in Unit	Interest in Unit
--	---------------	------------------

Tract #3C, 9.72 acres

COAL FEE OWNERSHIP

(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	9.72 acres	16.5475%
--	------------	----------

OIL & GAS FEE OWNERSHIP

(1) Otis J. Fields, et ux. HC65 Box 114 Rowe, VA 24646	9.72 acres	16.5475%
--	------------	----------

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 8-16, 2006. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:35 o'clock P.M, after payment of \$ tax imposed by Sec. 58.1-802.

TESTE: DOLLIE M. COMPTON, CLERK
BY: Yorrie R. Ruff D. CLERK

Original returned this date to: Diane Davis

0602657